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SIPDIS

E.O. 12958: DECL: 01/08/2034
TAGS: [KNNP](#) [MNUC](#) [AE](#) [IR](#) [GM](#)
SUBJECT: IRISL AND OASIS FREIGHT AGENCY TO CHANGE NAMES IN
UAE TO OBSCURE IRANIAN AFFILIATION

REF: 08 STATE 104496

Classified By: NEA Deputy Assistant Secretary David Hale,
REASONS 1.4 (B) AND (D).

11. (U) This is an action request. Please see paragraph
three.

SUMMARY

12. (S/REL UAE, FRANCE, ITALY, GERMANY, UK, ISRAEL) The
United States has information that as of mid-November 2008,
the Islamic Republic of Iran Shipping Lines (IRISL) and its
UAE-based subsidiary, Oasis Freight Agency, were considering
changing their corporate names to evade sanctions imposed by
the UN and U.S. These sanctions have resulted in increased
scrutiny over IRISL's business transactions. As we have
reported previously (reftel), IRISL facilitates shipments of
military and proliferation-related cargo destined for Iran's
defense industry and was designated (along with 18 affiliates
including Oasis Freight Agency) under U.S. Executive Order
(E.O.) 13382 on September 10, 2008. The U.S. is concerned
that IRISL and Oasis Freight Agency could use these name
changes to obscure their IRISL affiliation and allow them to
facilitate proliferation-related activity. The U.S. urges
the UAE to exercise vigilance over the activities of Oasis
Freight Agency and IRISL and to prevent these companies from
possibly
circumventing UNSC sanctions.

OBJECTIVES/ACTION REQUEST

13. (S/REL UAE, FRANCE, ITALY, GERMANY, UK, ISRAEL)
Washington requests Post deliver the non-paper in paragraph 4
to appropriate host government officials in the foreign
affairs and finance ministries. (For embassies London,
Paris, Berlin, Rome and Tel Aviv: please provide the
non-paper for informational purposes only to appropriate host
government officials who should be kept informed of U.S.
efforts to target IRISL). Post should pursue the following
objectives:

-- Notify host government officials that IRISL and Oasis
Freight Agency are considering changing their corporate names
to obscure their connection to proliferation-related
activity, evade sanctions imposed by the UN and U.S., and
avoid the resulting increase in scrutiny.

-- Remind host governments that IRISL and Oasis Freight
Agency were designated by the U.S. under E.O. 13382 on
September 10, 2008.

-- Note that IRISL was mentioned in operative paragraph 11 of UN Security Council Resolution (UNSCR) 1803, which "(c)alls upon states, in accordance with their national legal authorities and consistent with international law, to inspect cargoes going to or from Iran, of aircraft and vessels, at their airports and seaports, owned or operated by Iran Air Cargo and IRISL, provided there are reasonable grounds to believe that the aircraft or vessel is transporting goods prohibited under UNSCR 1803, UNSCRs 1737 or 1747."

-- Note that firms in the jurisdiction of host governments risk designation under E.O. 13382 if they act or purport to act for or on behalf of, directly or indirectly, IRISL, the listed IRISL subsidiaries, or any other E.O. 13382 designated entity, and/or if they provide, or attempt to provide, financial, material, technological, or other support for, or goods or services in support of any designated entity.

-- Urge host governments, consistent with obligations under UNSCRs 1737, 1747 and 1803 and their own national legal authorities, to 1) freeze the assets of these entities if they have not already done so, as well as the assets of persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them; 2) require comprehensive mandatory inspections of IRISL-related cargo; and 3) ensure that all national companies, particularly freight forwarders and insurance companies, cease business operations with IRISL.

BACKGROUND AND NONPAPER

14. BEGIN S/REL UAE, FRANCE, ITALY, GERMANY, UK, ISRAEL
NON-PAPER

-- We would like to raise concerns about the Islamic Republic of Iran Shipping Lines (IRISL) and its UAE-based subsidiary, Oasis Freight Agency.

-- As of mid-November 2008, Oasis Freight Agency (OFA), an agent for IRISL in the UAE, was considering changing its name in response to the September 10, 2008 U.S. Department of the Treasury designation of IRISL. OFA had seen a 40 percent drop in revenue since the designation, and five of six company directors had been replaced. IRISL was also considering changing its name, as well.

-- We are concerned that IRISL and Oasis' attempts to change their corporate names could obscure their connections to Iranian proliferation activity and allow them to facilitate further proliferation-related activity.

-- As you know, IRISL was named in UN Security Council Resolution (UNSCR) 1803. Operative paragraph 11 of this resolution calls upon all UN Member States, in accordance with national and international law, to inspect the cargoes going to or from Iran, of aircraft and vessels, at their airports and seaports, owned or operated by Iran Air Cargo and Iran's Islamic Republic of Iran Shipping Lines (IRISL), provided there are reasonable grounds to believe that the aircraft or vessel is transporting prohibited items under UNSCR 1803 or UNSCRs 1737 or 1747.

-- The United States designated IRISL and 18 subsidiaries under Executive Order (E.O.) 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters") on September 10, 2008, for providing logistical services to Iran's Ministry of Defense and Armed Forces Logistics (MODAFL).

-- As you know, any UAE-based firm that conducts business with IRISL or Oasis Freight Agency risks designation under E.O. 13382 if it acts or purports to act for or on behalf of, directly or indirectly, IRISL, IRISL subsidiaries, or any other E.O. 13382-designated entity, and/or if it provides, or attempts to provide, financial, material, technological, or

other support for, or goods or services in support of any designated entity.

-- We urge you, consistent with obligations under UNSCRs 1737, 1747 and 1803 and your own national legal authorities, to 1) freeze the assets of these entities if they have not already done so, as well as the assets of persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them; 2) require comprehensive mandatory inspections of IRISL-related cargo; and 3) ensure that all national companies, particularly freight forwarders and insurance companies, cease business operations with IRISL.

-- We look forward to working with you on this and other related security and counter-proliferation matters, and are prepared to provide additional assistance as appropriate.

END S/REL UAE, FRANCE, ITALY, GERMANY, UK, ISRAEL NON-PAPER

REPORTING DEADLINE

15. (U) Post should report results within ten business days of receipt of this cable. Please slug replies for ISN, T, IO, TREASURY, and NEA. Please include SIPDIS in all replies.

POINT OF CONTACT

16. (U) Washington point of contact for follow-up information is Kevin McGeehan, ISN/CPI, (202) 647-5408, McGeehanKJ@state.sgov.gov.

17. (U) Department thanks Post for its assistance.
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